

## **Appendix E – Workforce Plan**

### **Agency Overview**

The Texas College and University System Coordinating Board was established in 1965 to provide unified planning and development of a comprehensive system of higher education. In 1987 The Coordinating Board, Texas College and University System was renamed the Texas Higher Education Coordinating Board.

Since being created by the Texas Legislature in 1965, the Board has worked to achieve excellence for the college education of Texas students. The Board provides statewide leadership in achieving excellence in college education through efficient and effective use of resources and the elimination of unnecessary duplication in program offerings, faculties, and campus facilities.

Effective September 1, 2013, the agency is statutorily authorized 280.4 full-time equivalent (FTE) employees, an increase of 5 FTEs from FY 2013. SB 215 included a provision to add the compliance monitoring function with 4 FTEs and \$665,000 additional dollars to support this function. Full-time equivalent employees are managed carefully to ensure the ability to staff for federal and grant funded initiatives and other positions that support the vision, mission, goals and performance measures of the Coordinating Board.

### **Workforce Trends and Factors**

Key economic and environmental factors affecting the agency's workforce over the next five years include: turnover, retention, and an aging workforce. The 2013 statewide turnover rate was 17.6 percent for regular full- and part-time classified employees. The statewide turnover rate represents an increase of .3 percent over the 2012 turnover rate of 17.3 percent. The 2013 turnover rate for the Coordinating Board was 12.7 percent, 4.9 percent less than the statewide average.

During fiscal year 2013, statewide retirements increased 10.3 percent over fiscal 2012. Seventy-eight percent of the Coordinating Board workforce is over the age of 40 and 34 percent of the workforce will be eligible to retire within the next five years.

Within the next several years the slow economy will likely continue to recover and the competition to recruit and retain highly skilled employees will intensify. However, if the economic recovery involves a significant inflationary impact, many retirement eligible employees may need to postpone retirement. The Coordinating must consider these different possibilities when planning workforce strategies.

Most demographic experts estimate that the number of people over age of 65 will double over the next few decades. Due to the aging workforce there is a need to develop nontraditional workplace and employment relationships, such as short term assignments. The agency's approach is to retain critical knowledge, provide educational opportunities, and use senior employees as mentors for less tenured staff.

## **Increasing Diversity**

The Coordinating Board continues to emphasize the need for workplace diversity and to strive for a workforce that is reflective of the ethnic and racial composition of the population. The recruitment sources for all job posting has recently been expanded to reach as many minority job seekers as possible and will continue to seek opportunities to enhance the sources of employment recruitment.

## **Current Workforce Profile**

### **Critical Workforce Skills**

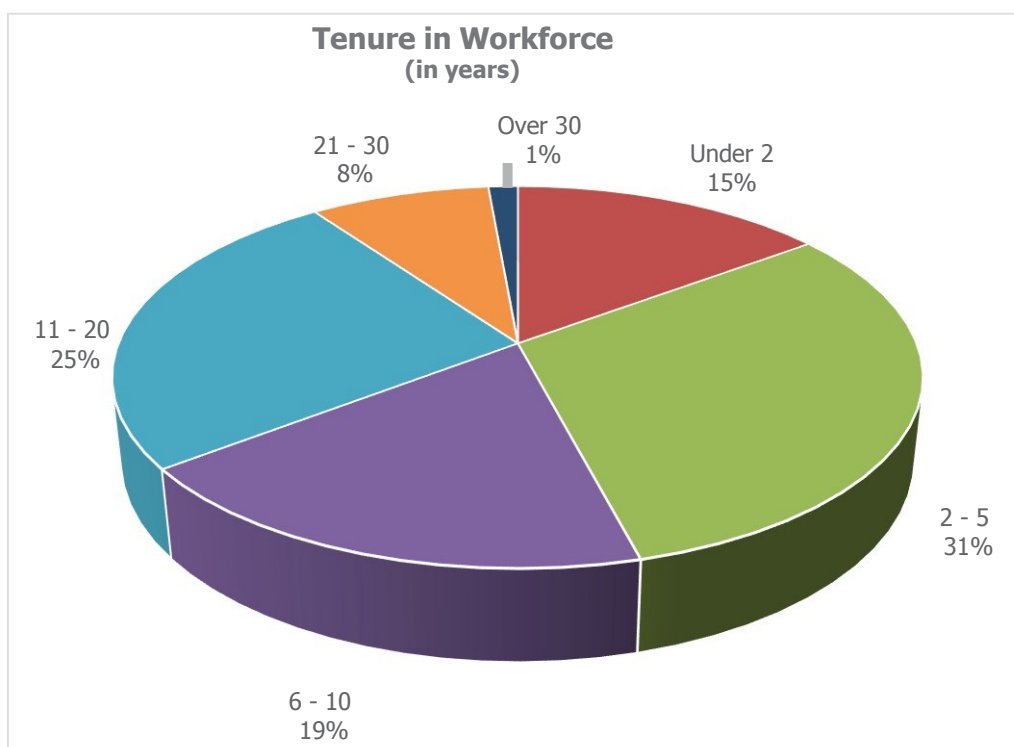
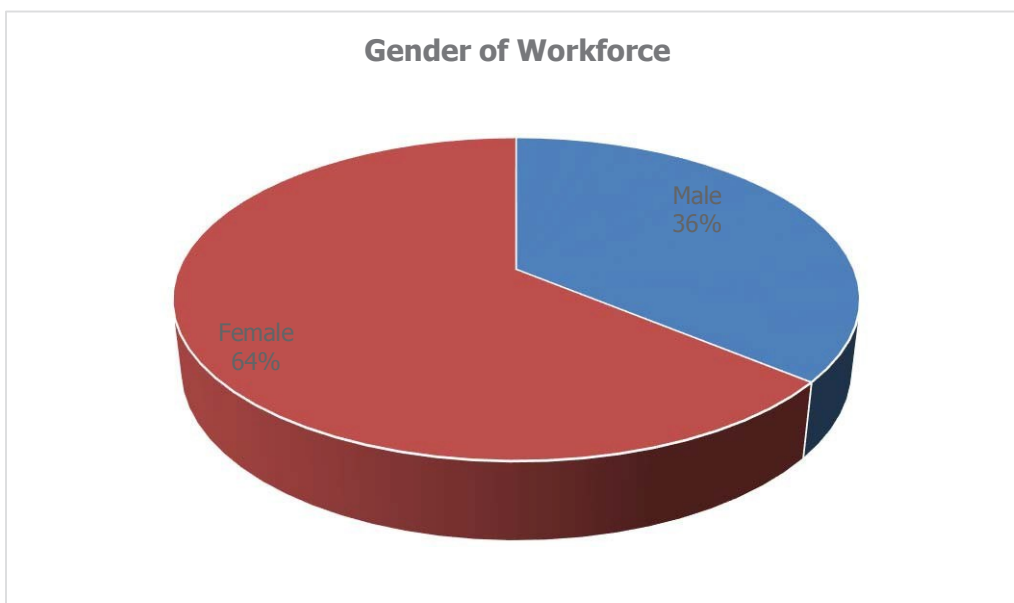
The Texas Higher Education Coordinating Board employs many well-qualified individuals, some with highly specialized skills unique to the agency. There are a number of skills that are critical to the agency's ability to operate effectively, efficiently, and consistently meet the agency's performance measures as well as legislative mandates. These current critical workforce knowledge and skills include the following:

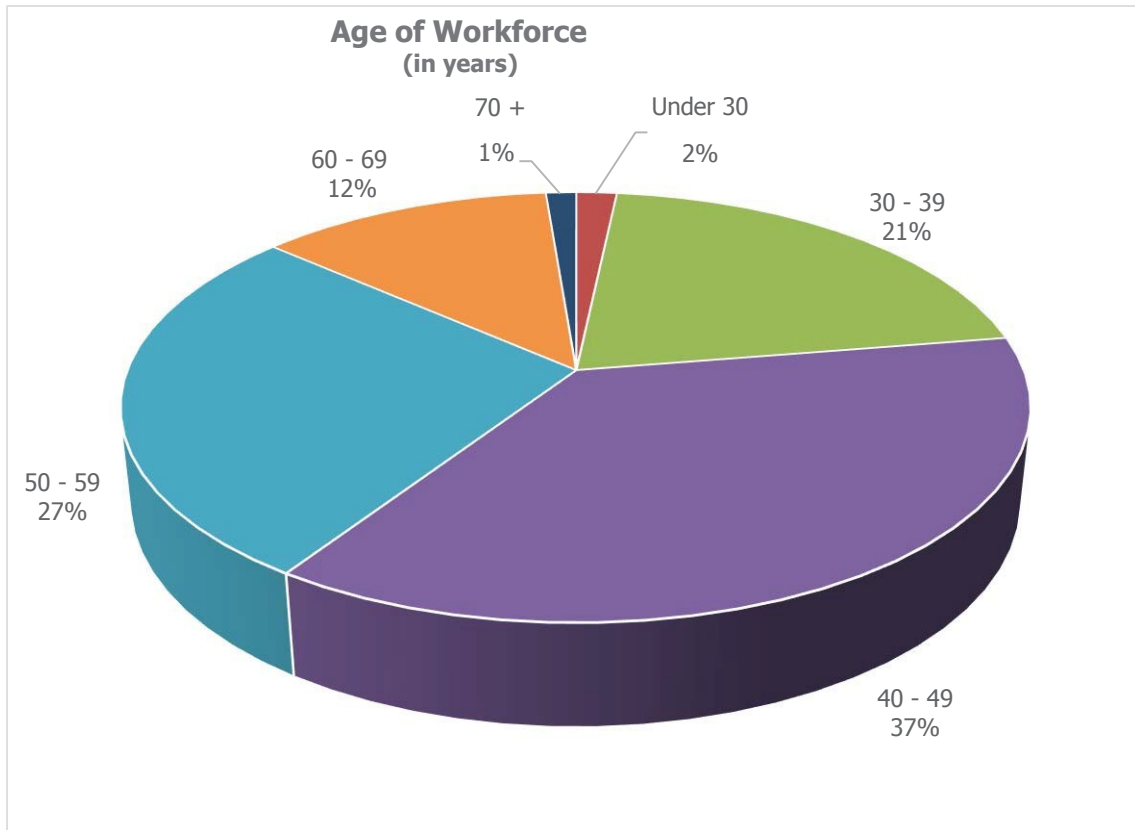
- Knowledge of higher education programs in general;
- Formula Funding and Curriculum Review;
- Legal Expertise;
- Student Loan Bonds;
- Governmental Accounting;
- Project Management;
- Research and Data Analysis;
- Leadership/Management; and
- Information Technology;

### **Workforce Demographics**

The agency currently has a total employee head count of 236 employees in comparison to August 31, 2011, when the total head count was 265. The following charts profile the Agency's workforce that includes both the full and part-time employees. The Coordinating Board's workforce is comprised of 64 percent females and 36 percent males. The gender breakdown is marginally changed since 2011. Seventy-eight percent of the workforce is over the age of 40. Forty-six percent of employees have five years or less service with the Coordinating Board. Notably, in August 2011 the workforce over age 40 was 77 percent as compared to 78 percent as of August 2013.

## Workforce Demographic Breakdown as of August 31, 2013





### **Agency Workforce by Job Category:**

The following table compares, by EEO Category, African American, Hispanic, and female staffing to the statewide civilian workforce as reported by the Texas Workforce Commission Civil Rights Division.

As of August, 2013, the Coordinating Board's percentages of African American employees in the job categories of Administrative Support and Paraprofessional are representative of the state civilian workforce. However, the agency is under-represented by one person in the Official/Administration and Professional categories, and by four persons in the Technical job category.

Hispanics are representative of the state civilian workforce in the job categories of Official/Administration, Professional, Administrative Support and Paraprofessional but under-represented by four persons in the Technical category.

Females are under-represented in the categories of Official/Administration and Technical by one person; in all other categories females are representative of the civilian workforce.

<b>THECB Workforce Utilization Analysis (August 31, 2013)</b>						
EEO Job Category Employee Count	African American		Hispanic		Female	
	THECB %	Civilian Workforce %	THECB %	Civilian Workforce %	THECB %	Civilian Workforce %
Official/ Administration 10	0%	8.99%	40%	19.51%	30%	39.34%
Professional 96	8%	11.33%	17%	17.40%	64%	59.14%
Technical 27	0%	14.16%	4%	21.36%	37%	41.47%
Admin. Support 64	27%	13.57%	33%	30.53%	78%	65.62%
Paraprofessional 39	18%	14.68%	33%	48.18%	74%	40.79%

Note: The Civilian Workforce combines the Paraprofessional category with Service/Maintenance. The Coordinating Board does not have Service/Maintenance employees. The data may be skewed for the Paraprofessional category representation. Source: [2011-2012 Equal Employment Opportunity and Minority Hiring Practices Report](#), p. 6.

The agency will continue to enhance recruitment efforts to produce a diverse pool of qualified applicants that reflect the appropriate statewide civilian workforce. The agency will develop an EEO Workforce Action Plan to set-out details for the recruitment, hiring and retention of a workforce that reflects the statewide civilian workforce. The EEO Workforce Action Plan will be regularly reviewed to determine what is working and what initiatives can be added to increase the effectiveness of the plan.

## **Employee Turnover**

The State Auditor's Office states, in its annual report on Classified Employee Turnover, three trends that influence employee turnover:

1. During the past five years, turnover has gradually increased from 14.4 percent in fiscal year 2009 to 17.6 percent in fiscal year 2013.
2. Texas had the largest increase in jobs in the nation compared to October 2012. According to the Office of the Comptroller of Public Accounts' Biennial Revenue Estimate 2014-2015, job growth in Texas is projected to outpace the growth in the Texas labor force and result in a continuing decline in unemployment in fiscal years 2014 and 2015.
3. Retirements continued to be a significant portion of separations and accounted for 18.4 percent of total separations in fiscal year 2013. Separations due to retirement

increased by 10.3 percent from fiscal year 2012 to fiscal year 2013. Retirements increased by 48.2 percent in fiscal year 2013 when compared to five years ago in fiscal year 2009 (SAO Report No. 14-701, p. ii).

Recruitment and retention strategies must be developed and monitored to keep up with the agency's workforce dynamics. According to data from the State Auditor's Office, better pay and benefits continues to be cited among the top reasons employees left employment from their respective state agencies.

Within the next two years the agency plans to analyze and restructure an updated Classification and Pay Plan that will consider market data in the development of the plan. This proposed plan will be developed with the focus of competitive salaries. This action will better equip the agency with the information to improve and align positions with the agency-established philosophy for managing the Plan and with the ability to be competitive.

The following chart compares the Coordinating Board turnover rates to that of the state turnover rate for the last eight years. The agency's turnover has been generally lower than the state's turnover rate with the exception of FY 2007.

Eight Year Turnover		
Fiscal Year	Agency Turnover Rate	State Turnover Rate
<b>FY 2013</b>	12.7%	17.6%
<b>FY 2012</b>	11.8%	17.3%
<b>FY 2011</b>	16.7%	16.8%
<b>FY 2010</b>	16%	14.6%
<b>FY 2009</b>	10%	14.4%
<b>FY 2008</b>	14%	17.3%
<b>FY 2007</b>	22%	17.4%
<b>FY 2006</b>	12%	17.9%

Source: An Annual Report on Classified Employee Turnover for Fiscal Year 2013,  
<http://www.sao.state.tx.us/reports/main/14-701.pdf>

Turnover by Age								
Description	FY 2010		FY 2011		FY 2012		FY 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age groups under 30	4	9%	3	7%	0	0%	1	3%
Age groups between 30 and 39	8	17%	8	17%	2	7%	8	27%
Age groups between 40 and 49	15	33%	10	22%	6	21%	9	30%
Ages groups between 50 and 59	14	30%	14	30%	9	31%	8	27%
Age groups over 60	5	11%	11	24%	12	41%	4	13%

Turnover by Tenure								
Description	FY 2010		FY 2011		FY 2012		FY 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agency tenure under 2 years	16	35%	14	30%	4	14%	7	23%
Agency tenure between 2 and 5 years	11	24%	15	33%	12	41%	13	43%
Agency tenure between 6 and 10 years	6	13%	2	4%	4	14%	4	13%
Agency tenure between 11 and 20 years	10	22%	8	17%	3	10%	6	20%
Agency tenure between 21 and 30 years	2	4%	6	13%	3	10%	0	0%
Agency tenure over 30 years	1	2%	1	2%	3	10%	0	0%

<b>Turnover by Ethnicity and Gender</b>								
Description	FY 2010		FY 2011		FY 2012		FY 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
African American	8	17%	11	24%	3	10%	2	7%
Hispanic American	8	17%	7	15%	6	21%	6	20%
Female	36	78%	29	63%	18	62%	23	77%

### **Retirement Eligibility**

Retirement from the Coordinating Board does not account for the majority of separations; however, over the next five years it will become critical as the pool of retirement eligible employees increases.

<b>Projected Retirement Eligibility</b>							
<b>EEO Classification</b>	<b>Current Workforce</b>	<b>% of Workforce</b>	<b>FY 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
Officials/Administration	10	4%	40%	50%	60%	60%	70%
Professionals	96	41%	16%	21%	25%	31%	36%
Technical	27	11%	7%	11%	11%	26%	30%
Para-Professional	39	17%	3%	5%	15%	21%	23%
Administrative Support	64	27%	13%	20%	23%	28%	34%
Total	236	100%	13%	18%	23%	29%	34%

The fact that 78 percent of the Coordinating Board workforce is over the age of 40 and up to 34 percent (81 employees) of the workforce will be eligible to retire in the next five years, requires a serious plan of action to develop and monitor a succession plan for upper level management replacements. The possibility of significant numbers of retirements over the next five years and the expectation that many of these retirements will represent the loss of very highly skilled employees, with specific experience and specialized backgrounds, may require a proactive plan of action to train internal replacements as well as enhance external recruitment. The Coordinating Board will be challenged to replace these retirees with the high skills and education levels necessary to perform the research and analysis functions required.



As identified in the past, predicting future turnover based on retirement eligibility can be difficult. An employee's eligibility to retire is not an accurate indicator of his or her election to retire. Factors that play a major role in the decision to retire could be income requirements, eligibility for insurance, and social security benefits. Regardless of these factors, the agency must be prepared to effectively address future and potential talent and institutional knowledge loss.

### **Strategic Goals and Objectives:**

The Coordinating Board's focus for immediate workforce planning initiatives for the next two to five years is on the possibility of large numbers of agency retirements. In addition, there is an initiative to study and develop a viable compensation plan to address agency workforce needs. The agency will develop initiatives to enhance diversity in the applicant pool. A response to the economic outlook requires consideration of possible effects of budget deficits and how the next legislative session may affect the agency workforce.

<b>Workforce Plan: Strategic Goals and Objectives</b>	
<b>Goal 1: Retention &amp; Recruitment</b>	<b>To recruit and retain a highly educated, skilled, and diverse workforce.</b>
<b>Objective</b>	To provide an enhanced pool of applicants, internal and external, for management's consideration and be able to retain the critical education and skill levels to perform the tasks of the agency's mission.
<b>Strategies</b>	<ul style="list-style-type: none"> <li>• Proactively seek new recruitment sources.</li> <li>• Consider keeping job posting open longer than 10 working days to expand the applicant pool.</li> <li>• Develop an EEO Workforce Action Plan to set-out details for the recruitment, hiring and retention of a workforce that reflects the statewide civilian workforce.</li> <li>• Develop an agency compensation philosophy.</li> <li>• Conduct a market study and submit a proposed updated Compensation Pay Plan for the agency.</li> </ul>
<b>Goal 2: Alternative to Loss of Critical Skills</b>	<b>To be prepared for the possibility of significantly increasing numbers of agency retirements.</b>
<b>Objective</b>	To be able to carry on with the business of the agency without interruption.
<b>Strategies</b>	<ul style="list-style-type: none"> <li>• Prepare proactive plan to address possible scenarios.</li> <li>• To ensure that critical positions and functions within the</li> </ul>

	<p>organization have been identified and determine how to address the specific situation.</p> <ul style="list-style-type: none"> <li>• Provide assessment tools to division personnel to identify critical position and critical functions performed in the divisions</li> <li>• Identify employees who could potentially fill critical functions or positions</li> <li>• Identify agency workforce needs, i.e., skills, education, experience, etc.</li> </ul>
<b>Goal 3: Economic Conditions</b>	<b>To be prepared in the eventuality that the next legislative session presents budget and or program cuts.</b>
<b>Objective</b>	To provide quality, thoughtful information for consideration of alternatives.
<b>Strategies</b>	<ul style="list-style-type: none"> <li>• Monitor legislative issues and provide an alert on issues of concerns</li> <li>• Discuss concerns that may affect the agency workforce and identify possible actions</li> </ul>
<b>Goal 4: HUB Usage</b>	<b>Contract with Historically Underutilized Businesses (HUBs) to the greatest extent possible</b>
<b>Objective</b>	Award contracts to the HUBs in Texas in sufficient quantities to meet or exceed HUB participation targets.
<b>Strategies</b>	<ul style="list-style-type: none"> <li>• Continue to seek bids from at least two certified HUB vendors for all competitive purchases.</li> <li>• Update and maintain directories of certified HUB vendors to facilitate bidding processes.</li> <li>• Participate in at least two HUB Economic Opportunity Forums per year.</li> </ul>
<b>Goal 5: Optional Retirement Program</b>	<b>Communicate the possibility to move Optional Retirement Program (ORP) from THECB to another state agency</b>
<b>Objective</b>	To work with External Relations on possible legislation to change ORP statute from THECB administration to another state agency.
<b>Strategies</b>	<ul style="list-style-type: none"> <li>• Communicate the scope of the Optional Retirement Program administration to External Relations.</li> <li>• Propose alternative solution to free up Human Resources staff to address critical agency responsibilities.</li> </ul>

